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cussing how and why changes in the quantity of money affect prices and to what extent other influences are of importance? In fact the volume is merely a restatement of the usual arguments for the quantity theory. Little that is original has been introduced into the treatment and the book cannot be viewed as a valuable contribution to the literature of the subject.

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Final Report of the Royal Commission on Indian Finance and Currency. Parliamentary Publication, Cd. 7236. (London: Wyman. 1914. Pp. 91. 9d.)

The Fowler Currency Committee of 1898 recommended for India a gold standard with an active circulation of gold coins. The report of this committee was received with favor by the Home and the Indian governments; nevertheless in the following years the mechanism of the Indian monetary system developed primarily upon the lines of an exchange standard rather than of a gold circulating currency. Alterations took place in the composition and location of the government's reserves so that large gold resources accumulated in London, and a rupee reserve was virtually established in India. Council drafts were sold in such large amounts that shipments of gold to India were in a large measure obviated, and, in the crisis of 1907, it was found that the sale of drafts upon the London gold reserves was the most efficient method of supporting exchange. As the Royal Commission of 1913 reported, "the measures taken to maintain the exchange value of the rupee have been . . . less in pursuance of the recommendations of the Committee of 1898 than supplementary to them."

Nevertheless the government had never renounced the ideal of a gold circulating currency, and it had become imperative that, either the mechanism of the exchange standard should be perfected, or a more vigorous program adopted for increasing the circulation of gold coins. The former of these alternatives is recommended by the Royal Commission of 1913 in a clearly written and, on the whole, convincing report.

The commission decided that, "It would not be to India's advantage to encourage an increased use of gold in the internal circulation," and that a mint for the coinage of gold should not be established unless Indian sentiment should genuinely demand it. It was recommended that the "Government should definitely un-

dertake to sell bills in India on London at the rate of 1s. 3 29/32d. per rupee whenever called upon to do so." Changes in the structure of the government's reserves and balances were advocated in order that their purpose might be more clearly defined, their efficiency in supporting exchange increased, and the present disadvantages of an independent treasury system and an inelastic currency, at least to some degree, removed.

The proposal that the exchange standard should be further perfected by the adoption of a policy in which Council Bills should always be sold at a fixed rate did not meet with favor among the members of the commission. It is in regard to the feasibility of the acceptance of this suggestion that further controversy is undoubtedly to be expected. The question may still be raised whether respect for Indian sentiment has not exerted a disproportionate influence upon certain features of Indian finance. In refusing to accept the proposal that Council Bills should always be sold at a fixed rate, the commission is willing that what is believed to be the economics of the situation should prevail over political considerations. Accordingly, a policy may be continued against which must be directed vigorous, even though often unfounded, charges of governmental management and discrimination. But a mint for the coinage of gold may be established if the Indian people wish it. In a country where a majority of the natives may not know that there is such a thing as a mint, what significance should be attached to sentiment either favoring or disapproving its establishment? Should not the government, under such circumstances, devote its entire energies to securing the most economical form of a currency?

The commission did not report upon the question of the establishment of a state or central bank, but advised that a small expert committee should be appointed to consider this project. Recommendations were also made regarding the financial organization of the India Office. These, if accepted, should do much towards increasing the efficiency of Indian financial procedure.

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NEW BOOKS

BAUDIN, P. *L'argent de la France.* (Paris: Grasset. 1914. 3.50 fr.)

BRANDEIS, L. D. *Other people's money, and how the bankers use it.* (New York: Stokes. 1913. Pp. 238. \$1.)

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